

**97TH GENERAL ASSEMBLY****State of Illinois****2011 and 2012****SB2572**

Introduced 1/11/2012, by Sen. Susan Garrett

**SYNOPSIS AS INTRODUCED:**

See Index

Amends the Metropolitan Transit Authority Act. Provides that if the Board of the Regional Transportation Authority determines that the budget, financial plan, and five-year capital program do not match the Regional Transportation Authority's five-year capital program prioritization list, then the Board of the Metropolitan Transit Authority shall make the changes necessary to meet those requirements. Makes other changes. Amends the Regional Transportation Authority Act. Requires that the Service Boards submit certain reports quarterly (now, annually). Sets forth guidelines concerning a Service Board's strategic plan. Provides that the Regional Transportation Authority may withhold capital project funding or any discretionary funding if a Service Board's strategic plan is excessively inconsistent with the Authority's strategic plan. Provides that the Regional Transportation Authority shall prioritize capital projects based on certain criteria, and that projects listed on the aggregated and prioritized list are the only projects eligible for capital funding, except in the case of an emergency declared by the Governor or the Board. Provides that if the Commuter Rail Board's and the Suburban Bus Board's budget and financial plan do not match the Regional Transportation Authority's five-year capital program prioritization list, then the Commuter Rail Board or Suburban Bus Board, as applicable, shall make the changes necessary to meet those requirements. Sets forth requirements concerning Service Boards' financial reports and budget proposals. Provides that if the Regional Transportation Authority finds that a Service Board violated certain requirements, then the Authority shall withhold specified funding. Sets forth procedures that a Service Board must take to reestablish the funding. Makes other changes.

LRB097 13862 KMW 58429 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Metropolitan Transit Authority Act is  
5 amended by changing Section 34 as follows:

6 (70 ILCS 3605/34) (from Ch. 111 2/3, par. 334)

7 Sec. 34. Budget and Program. The Authority, subject to the  
8 powers of the Regional Transportation Authority in Section 4.11  
9 of the Regional Transportation Authority Act, shall control the  
10 finances of the Authority. It shall by ordinance appropriate  
11 money to perform the Authority's purposes and provide for  
12 payment of debts and expenses of the Authority. Each year the  
13 Authority shall prepare and publish a comprehensive annual  
14 budget and five-year capital program document, and a financial  
15 plan for the 2 years thereafter describing the state of the  
16 Authority and presenting for the forthcoming fiscal year and  
17 the two following years the Authority's plans for such  
18 operations and capital expenditures as it intends to undertake  
19 and the means by which it intends to finance them. The proposed  
20 budget, financial plan, and five-year capital program shall be  
21 based on the Regional Transportation Authority's estimate of  
22 funds to be made available to the Authority by or through the  
23 Regional Transportation Authority and shall conform in all

1 respects to the requirements established by the Regional  
2 Transportation Authority. The proposed budget, financial plan,  
3 and five-year capital program shall contain a statement of the  
4 funds estimated to be on hand at the beginning of the fiscal  
5 year, the funds estimated to be received from all sources for  
6 such year and the funds estimated to be on hand at the end of  
7 such year. The proposed budget, financial plan, and five-year  
8 capital program shall be available at no cost for public  
9 inspection at the Authority's main office and at the Regional  
10 Transportation Authority's main office at least 3 weeks prior  
11 to any public hearing. Before the proposed budget, financial  
12 plan, and five-year capital program are submitted to the  
13 Regional Transportation Authority, the Authority shall hold at  
14 least one public hearing thereon in each of the counties in  
15 which the Authority provides service. All Board members of the  
16 Authority shall attend a majority of the public hearings unless  
17 reasonable cause is given for their absence. After the public  
18 hearings, the Board of the Authority shall hold at least one  
19 meeting for consideration of the proposed program and budget  
20 with the Cook County Board. After conducting such hearings and  
21 holding such meetings and after making such changes in the  
22 proposed budget, financial plan, and five-year capital program  
23 as the Board deems appropriate, it shall adopt an annual budget  
24 ordinance at least by November 15th preceding the beginning of  
25 each fiscal year. The budget, financial plan, and five-year  
26 capital program shall then be submitted to the Regional

1 Transportation Authority as provided in Section 4.11 of the  
2 Regional Transportation Authority Act. In the event that the  
3 Board of the Regional Transportation Authority determines that  
4 the budget, financial plan, and five-year capital program do  
5 not meet the standards of said Section 4.11 or match the  
6 Regional Transportation Authority's five-year capital program  
7 prioritization list set forth in Section 2.01b of the Regional  
8 Transportation Authority Act, the Board of the Authority shall  
9 make such changes as are necessary to meet such requirements  
10 and adopt an amended budget ordinance. The amended budget  
11 ordinance shall be resubmitted to the Regional Transportation  
12 Authority pursuant to said Section 4.11. The ordinance shall  
13 appropriate such sums of money as are deemed necessary to  
14 defray all necessary expenses and obligations of the Authority,  
15 specifying purposes and the objects or programs for which  
16 appropriations are made and the amount appropriated for each  
17 object or program. Additional appropriations, transfers  
18 between items and other changes in such ordinance which do not  
19 alter the basis upon which the balanced budget determination  
20 was made by the Regional Transportation Authority may be made  
21 from time to time by the Board.

22 The budget shall:

23 (i) show a balance between (A) anticipated revenues  
24 from all sources including operating subsidies and (B) the  
25 costs of providing the services specified and of funding  
26 any operating deficits or encumbrances incurred in prior

1 periods, including provision for payment when due of  
2 principal and interest on outstanding indebtedness;

3 (ii) show cash balances including the proceeds of any  
4 anticipated cash flow borrowing sufficient to pay with  
5 reasonable promptness all costs and expenses as incurred;

6 (iii) provide for a level of fares or charges and  
7 operating or administrative costs for the public  
8 transportation provided by or subject to the jurisdiction  
9 of the Board sufficient to allow the Board to meet its  
10 required system generated revenue recovery ratio as  
11 determined in accordance with subsection (a) of Section  
12 4.11 of the Regional Transportation Authority Act;

13 (iv) be based upon and employ assumptions and  
14 projections which are reasonable and prudent;

15 (v) have been prepared in accordance with sound  
16 financial practices as determined by the Board of the  
17 Regional Transportation Authority;

18 (vi) meet such other financial, budgetary, or fiscal  
19 requirements that the Board of the Regional Transportation  
20 Authority may by rule or regulation establish; and

21 (vii) be consistent with the goals and objectives  
22 adopted by the Regional Transportation Authority in the  
23 Strategic Plan set forth in Section 2.01a of the Regional  
24 Transportation Authority Act.

25 The Board shall establish a fiscal operating year. At least  
26 thirty days prior to the beginning of the first full fiscal

1 year after the creation of the Authority, and annually  
2 thereafter, the Board shall cause to be prepared a tentative  
3 budget which shall include all operation and maintenance  
4 expense for the ensuing fiscal year. The tentative budget shall  
5 be considered by the Board and, subject to any revision and  
6 amendments as may be determined, shall be adopted prior to the  
7 first day of the ensuing fiscal year as the budget for that  
8 year. No expenditures for operations and maintenance in excess  
9 of the budget shall be made during any fiscal year except by  
10 the affirmative vote of at least five members of the Board. It  
11 shall not be necessary to include in the annual budget any  
12 statement of necessary expenditures for pensions or retirement  
13 annuities, or for interest or principal payments on bonds or  
14 certificates, or for capital outlays, but it shall be the duty  
15 of the Board to make provision for payment of same from  
16 appropriate funds. The Board may not alter its fiscal year  
17 without the prior approval of the Board of the Regional  
18 Transportation Authority.

19 (Source: P.A. 95-708, eff. 1-18-08.)

20 Section 10. The Regional Transportation Authority Act is  
21 amended by changing Sections 2.01a, 2.01b, 3A.10, 3B.10, 4.01,  
22 and 4.11 as follows:

23 (70 ILCS 3615/2.01a)

24 Sec. 2.01a. Strategic Plan.

1           (a) By the affirmative vote of at least 12 of its then  
2 Directors, the Authority shall adopt a Strategic Plan, no less  
3 than every 5 years, after consultation with the Service Boards  
4 and after holding a minimum of 3 public hearings in Cook County  
5 and one public hearing in each of the other counties in the  
6 region. The Executive Director of the Authority shall review  
7 the Strategic Plan on an ongoing basis and make recommendations  
8 to the Board of the Authority with respect to any update or  
9 amendment of the Strategic Plan. The Strategic Plan shall  
10 describe the specific actions to be taken by the Authority and  
11 the Service Boards to provide adequate, efficient, and  
12 coordinated public transportation.

13           (b) The Strategic Plan shall identify goals and objectives  
14 with respect to:

15                 (i) increasing ridership and passenger miles on public  
16 transportation funded by the Authority;

17                 (ii) coordination of public transportation services  
18 and the investment in public transportation facilities to  
19 enhance the integration of public transportation  
20 throughout the metropolitan region;

21                 (iii) coordination of fare and transfer policies to  
22 promote transfers by riders among Service Boards,  
23 transportation agencies, and public transportation modes,  
24 which may include goals and objectives for development of a  
25 universal fare instrument that riders may use  
26 interchangeably on all public transportation funded by the

1 Authority, and methods to be used to allocate revenues from  
2 transfers;

3 (iv) improvements in public transportation facilities  
4 to bring those facilities into a state of good repair,  
5 enhancements that attract ridership and improve customer  
6 service, and expansions needed to serve areas with  
7 sufficient demand for public transportation;

8 (v) access for transit-dependent populations,  
9 including access by low-income communities to places of  
10 employment, utilizing analyses provided by the Chicago  
11 Metropolitan Agency for Planning regarding employment and  
12 transportation availability, and giving consideration to  
13 the location of employment centers in each county and the  
14 availability of public transportation at off-peak hours  
15 and on weekends;

16 (vi) the financial viability of the public  
17 transportation system, including both operating and  
18 capital programs;

19 (vii) limiting road congestion within the metropolitan  
20 region and enhancing transit options to improve mobility;  
21 and

22 (viii) such other goals and objectives that advance the  
23 policy of the State to provide adequate, efficient, and  
24 coordinated public transportation in the metropolitan  
25 region.

26 (c) The Strategic Plan shall establish the process and

1 criteria by which proposals for capital improvements by a  
2 Service Board or a transportation agency will be evaluated and  
3 prioritized pursuant to Section 2.01b of this Act by the  
4 Authority for inclusion in the Five-Year Capital Program, which  
5 may include criteria for:

6 (i) allocating funds among maintenance, enhancement,  
7 and expansion improvements;

8 (ii) projects to be funded from the Innovation,  
9 Coordination, and Enhancement Fund;

10 (iii) projects intended to improve or enhance  
11 ridership or customer service;

12 (iv) design and location of station or transit  
13 improvements intended to promote transfers, increase  
14 ridership, and support transit-oriented land development;

15 (v) assessing the impact of projects on the ability to  
16 operate and maintain the existing transit system; and

17 (vi) other criteria that advance the goals and  
18 objectives of the Strategic Plan.

19 (d) The Strategic Plan shall establish performance  
20 standards and measurements regarding the adequacy, efficiency,  
21 and coordination of public transportation services in the  
22 region and the implementation of the goals and objectives in  
23 the Strategic Plan. At a minimum, such standards and measures  
24 shall include customer-related performance data measured by  
25 line, route, or sub-region, as determined by the Authority, on  
26 the following:

- 1 (i) travel times and on-time performance;
- 2 (ii) ridership data;
- 3 (iii) equipment failure rates;
- 4 (iv) employee and customer safety; and
- 5 (v) customer satisfaction.

6 The Service Boards and transportation agencies that  
7 receive funding from the Authority or Service Boards shall  
8 prepare, publish, and submit to the Authority such reports with  
9 regard to these standards and measurements in the ~~frequency and~~  
10 form required by the Authority; however, the frequency of such  
11 reporting shall be quarterly and due on March 1st, June 1st,  
12 September 1st, and December 1st ~~no less than annual~~. The  
13 Service Boards shall publish such reports on their respective  
14 websites. The Authority shall compile and publish such reports  
15 on its website. Such performance standards and measures shall  
16 not be used as the basis for disciplinary action against any  
17 employee of the Authority or Service Boards, except to the  
18 extent the employment and disciplinary practices of the  
19 Authority or Service Board provide for such action.

20 (d-5) It is the responsibility of the Service Boards to  
21 work in good faith with the Authority to submit strategic plans  
22 that conform to and are consistent with the Authority's  
23 strategic plan. The Authority may withhold capital project  
24 funding pursuant to Section 4.11 of this Act or any  
25 discretionary funding if a Service Board's strategic plan is  
26 excessively inconsistent with the Authority's strategic plan.

1           (e) The Strategic Plan shall identify innovations to  
2 improve the delivery of public transportation and the  
3 construction of public transportation facilities.

4           (f) The Strategic Plan shall describe the expected  
5 financial condition of public transportation in the  
6 metropolitan region prospectively over a 10-year period, which  
7 may include information about the cash position and all known  
8 obligations of the Authority and the Service Boards including  
9 operating expenditures, debt service, contributions for  
10 payment of pension and other post-employment benefits, the  
11 expected revenues from fares, tax receipts, grants from the  
12 federal, State, and local governments for operating and capital  
13 purposes and issuance of debt, the availability of working  
14 capital, and the resources needed to achieve the goals and  
15 objectives described in the Strategic Plan.

16           (g) In developing the Strategic Plan, the Authority shall  
17 rely on such demographic and other data, forecasts, and  
18 assumptions developed by the Chicago Metropolitan Agency for  
19 Planning with respect to the patterns of population density and  
20 growth, projected commercial and residential development, and  
21 environmental factors, within the metropolitan region and in  
22 areas outside the metropolitan region that may impact public  
23 transportation utilization in the metropolitan region. Before  
24 adopting or amending any Strategic Plan, the Authority shall  
25 consult with the Chicago Metropolitan Agency for Planning  
26 regarding the consistency of the Strategic Plan with the

1 Regional Comprehensive Plan adopted pursuant to the Regional  
2 Planning Act.

3 (h) The Authority may adopt, by the affirmative vote of at  
4 least 12 of its then Directors, sub-regional or corridor plans  
5 for specific geographic areas of the metropolitan region in  
6 order to improve the adequacy, efficiency, and coordination of  
7 existing, or the delivery of new, public transportation. Such  
8 plans may also address areas outside the metropolitan region  
9 that may impact public transportation utilization in the  
10 metropolitan region. In preparing a sub-regional or corridor  
11 plan, the Authority may identify changes in operating practices  
12 or capital investment in the sub-region or corridor that could  
13 increase ridership, reduce costs, improve coordination, or  
14 enhance transit-oriented development. The Authority shall  
15 consult with any affected Service Boards in the preparation of  
16 any sub-regional or corridor plans.

17 (i) If the Authority determines, by the affirmative vote of  
18 at least 12 of its then Directors, that, with respect to any  
19 proposed new public transportation service or facility, (i)  
20 multiple Service Boards or transportation agencies are  
21 potential service providers and (ii) the public transportation  
22 facilities to be constructed or purchased to provide that  
23 service have an expected construction cost of more than  
24 \$25,000,000, the Authority shall have sole responsibility for  
25 conducting any alternatives analysis and preliminary  
26 environmental assessment required by federal or State law.

1 Nothing in this subparagraph (i) shall prohibit a Service Board  
2 from undertaking alternatives analysis and preliminary  
3 environmental assessment for any public transportation service  
4 or facility identified in items (i) and (ii) above that is  
5 included in the Five-Year Capital Program as of the effective  
6 date of this amendatory Act of the 95th General Assembly;  
7 however, any expenditure related to any such public  
8 transportation service or facility must be included in a  
9 Five-Year Capital Program under the requirements of Sections  
10 2.01b and 4.02 of this Act.

11 (Source: P.A. 95-708, eff. 1-18-08.)

12 (70 ILCS 3615/2.01b)

13 Sec. 2.01b. The Five-Year Capital Program. By the  
14 affirmative vote of at least 12 of its then Directors, the  
15 Authority, after consultation with the Service Boards and after  
16 holding a minimum of 3 public hearings in Cook County and one  
17 public hearing in each of the other counties in the  
18 metropolitan region, shall each year adopt a Five-Year Capital  
19 Program that shall include each capital improvement to be  
20 undertaken by or on behalf of a Service Board provided that the  
21 Authority finds that the improvement meets any criteria for  
22 capital improvements contained in the Strategic Plan, is not  
23 inconsistent with any sub-regional or corridor plan adopted by  
24 the Authority, and can be funded within amounts available with  
25 respect to the capital and operating costs of such improvement.

1 In reviewing proposals for improvements to be included in a  
2 Five-Year Capital Program, the Authority may give priority to  
3 improvements that are intended to bring public transportation  
4 facilities into a state of good repair. The Five-Year Capital  
5 Program shall also identify capital improvements to be  
6 undertaken by a Service Board, a transportation agency, or a  
7 unit of local government and funded by the Authority from  
8 amounts in the Innovation, Coordination, and Enhancement Fund,  
9 provided that no improvement that is included in the Five-Year  
10 Capital Program as of the effective date of this amendatory Act  
11 of the 95th General Assembly may receive funding from the  
12 Innovation, Coordination, and Enhancement Fund. Before  
13 adopting a Five-Year Capital Program, the Authority shall:

14 (1) consult with the Chicago Metropolitan Agency for  
15 Planning regarding the consistency of the Five-Year  
16 Capital Program with the Regional Comprehensive Plan  
17 adopted pursuant to the Regional Planning Act; and -

18 (2) produce a list of capital projects submitted by the  
19 Service Boards aggregated and prioritized by the Authority  
20 based on criteria listed in this Section.

21 Each Service Board shall provide the Authority with a  
22 quarterly report submitted on March 1st, June 1st, September  
23 1st, and December 1st detailing progress on the projects.  
24 Projects listed on the aggregated and prioritized list shall be  
25 the only projects eligible for capital improvement funding and  
26 exceptions shall only be granted in cases of emergency, as

1 declared by the Governor or an affirmative vote by the Board.

2 (Source: P.A. 95-708, eff. 1-18-08.)

3 (70 ILCS 3615/3A.10) (from Ch. 111 2/3, par. 703A.10)

4 Sec. 3A.10. Budget and Program. The Suburban Bus Board,  
5 subject to the powers of the Authority in Section 4.11, shall  
6 control the finances of the Division. It shall by ordinance  
7 appropriate money to perform the Division's purposes and  
8 provide for payment of debts and expenses of the Division. Each  
9 year the Suburban Bus Board shall prepare and publish a  
10 comprehensive annual budget and proposed five-year capital  
11 program document, and a financial plan for the 2 years  
12 thereafter describing the state of the Division and presenting  
13 for the forthcoming fiscal year and the 2 following years the  
14 Suburban Bus Board's plans for such operations and capital  
15 expenditures as it intends to undertake and the means by which  
16 it intends to finance them. The proposed budget, financial  
17 plan, and five-year capital program shall be based on the  
18 Authority's estimate of funds to be made available to the  
19 Suburban Bus Board by or through the Authority and shall  
20 conform in all respects to the requirements established by the  
21 Authority. The proposed budget, financial plan, and five-year  
22 capital program shall contain a statement of the funds  
23 estimated to be on hand at the beginning of the fiscal year,  
24 the funds estimated to be received from all sources for such  
25 year and the funds estimated to be on hand at the end of such

1 year. The fiscal year of the Division shall be the same as the  
2 fiscal year of the Authority. Before the proposed budget,  
3 financial plan, and five-year capital program are submitted to  
4 the Authority, the Suburban Bus Board shall hold at least one  
5 public hearing thereon in each of the counties in the  
6 metropolitan region in which the Division provides service. The  
7 Suburban Bus Board shall hold at least one meeting for  
8 consideration of the proposed budget, financial plan, and  
9 five-year capital program with the county board of each of the  
10 several counties in the metropolitan region in which the  
11 Division provides service. After conducting such hearings and  
12 holding such meetings and after making such changes in the  
13 proposed budget, financial plan, and five-year capital program  
14 as the Suburban Bus Board deems appropriate, it shall adopt an  
15 annual budget ordinance at least by November 15 next preceding  
16 the beginning of each fiscal year. The budget, financial plan,  
17 and five-year capital program shall then be submitted to the  
18 Authority as provided in Section 4.11. In the event that the  
19 Board of the Authority determines that the budget and financial  
20 plan do not meet the standards of Section 4.11 or match the  
21 Authority's five-year capital program prioritization list of  
22 Section 2.01b of this Act, the Suburban Bus Board shall make  
23 such changes as are necessary to meet such requirements and  
24 adopt an amended budget ordinance. The amended budget ordinance  
25 shall be resubmitted to the Authority pursuant to Section 4.11.  
26 The ordinance shall appropriate such sums of money as are

1 deemed necessary to defray all necessary expenses and  
2 obligations of the Division, specifying purposes and the  
3 objects or programs for which appropriations are made and the  
4 amount appropriated for each object or program. Additional  
5 appropriations, transfers between items and other changes in  
6 such ordinance which do not alter the basis upon which the  
7 balanced budget determination was made by the Board of the  
8 Authority may be made from time to time by the Suburban Bus  
9 Board.

10 The budget shall:

11 (i) show a balance between (A) anticipated revenues  
12 from all sources including operating subsidies and (B) the  
13 costs of providing the services specified and of funding  
14 any operating deficits or encumbrances incurred in prior  
15 periods, including provision for payment when due of  
16 principal and interest on outstanding indebtedness;

17 (ii) show cash balances including the proceeds of any  
18 anticipated cash flow borrowing sufficient to pay with  
19 reasonable promptness all costs and expenses as incurred;

20 (iii) provide for a level of fares or charges and  
21 operating or administrative costs for the public  
22 transportation provided by or subject to the jurisdiction  
23 of the Suburban Bus Board sufficient to allow the Suburban  
24 Bus Board to meet its required system generated revenues  
25 recovery ratio and, beginning with the 2007 fiscal year,  
26 its system generated ADA paratransit services revenue

1 recovery ratio;

2 (iv) be based upon and employ assumptions and  
3 projections which are reasonable and prudent;

4 (v) have been prepared in accordance with sound  
5 financial practices as determined by the Board of the  
6 Authority;

7 (vi) meet such other uniform financial, budgetary, or  
8 fiscal requirements that the Board of the Authority may by  
9 rule or regulation establish; and

10 (vii) be consistent with the goals and objectives  
11 adopted by the Regional Transportation Authority in the  
12 Strategic Plan of Section 2.01a of this Act.

13 (Source: P.A. 94-370, eff. 7-29-05; 95-708, eff. 1-18-08.)

14 (70 ILCS 3615/3B.10) (from Ch. 111 2/3, par. 703B.10)

15 Sec. 3B.10. Budget and Program. The Commuter Rail Board,  
16 subject to the powers of the Authority in Section 4.11, shall  
17 control the finances of the Division. It shall by ordinance  
18 appropriate money to perform the Division's purposes and  
19 provide for payment of debts and expenses of the Division. Each  
20 year the Commuter Rail Board shall prepare and publish a  
21 comprehensive annual budget and proposed five-year capital  
22 program document, and a financial plan for the two years  
23 thereafter describing the state of the Division and presenting  
24 for the forthcoming fiscal year and the two following years the  
25 Commuter Rail Board's plans for such operations and capital

1 expenditures as the Commuter Rail Board intends to undertake  
2 and the means by which it intends to finance them. The proposed  
3 budget, financial plan, and five-year capital program shall be  
4 based on the Authority's estimate of funds to be made available  
5 to the Commuter Rail Board by or through the Authority and  
6 shall conform in all respects to the requirements established  
7 by the Authority. The proposed budget, financial plan, and  
8 five-year capital program shall contain a statement of the  
9 funds estimated to be on hand at the beginning of the fiscal  
10 year, the funds estimated to be received from all sources for  
11 such year and the funds estimated to be on hand at the end of  
12 such year. The fiscal year of the Division shall be the same as  
13 the fiscal year of the Authority. Before the proposed budget,  
14 financial plan, and five-year capital program are submitted to  
15 the Authority, the Commuter Rail Board shall hold at least one  
16 public hearing thereon in each of the counties in the  
17 metropolitan region in which the Division provides service. The  
18 Commuter Rail Board shall hold at least one meeting for  
19 consideration of the proposed budget, financial plan, and  
20 five-year capital plan with the county board of each of the  
21 several counties in the metropolitan region in which the  
22 Division provides service. After conducting such hearings and  
23 holding such meetings and after making such changes in the  
24 proposed budget, financial plan, and five-year capital plan as  
25 the Commuter Rail Board deems appropriate, the board shall  
26 adopt its annual budget ordinance at least by November 15 next

1 preceding the beginning of each fiscal year. The budget,  
2 financial plan, and five-year capital program shall then be  
3 submitted to the Authority as provided in Section 4.11. In the  
4 event that the Board of the Authority determines that the  
5 budget and program, and financial plan do not meet the  
6 standards of Section 4.11 or match the Authority's five-year  
7 capital program prioritization list of Section 2.01b of this  
8 Act, the Commuter Rail Board shall make such changes as are  
9 necessary to meet such requirements and adopt an amended budget  
10 ordinance. The amended budget ordinance shall be resubmitted to  
11 the Authority pursuant to Section 4.11. The ordinance shall  
12 appropriate such sums of money as are deemed necessary to  
13 defray all necessary expenses and obligations of the Division,  
14 specifying purposes and the objects or programs for which  
15 appropriations are made and the amount appropriated for each  
16 object or program. Additional appropriations, transfers  
17 between items and other changes in such ordinance which do not  
18 alter the basis upon which the balanced budget determination  
19 was made by the Board of the Authority may be made from time to  
20 time by the Commuter Rail Board.

21 The budget shall:

22 (i) show a balance between (A) anticipated revenues  
23 from all sources including operating subsidies and (B) the  
24 costs of providing the services specified and of funding  
25 any operating deficits or encumbrances incurred in prior  
26 periods, including provision for payment when due of

1 principal and interest on outstanding indebtedness;

2 (ii) show cash balances including the proceeds of any  
3 anticipated cash flow borrowing sufficient to pay with  
4 reasonable promptness all costs and expenses as incurred;

5 (iii) provide for a level of fares or charges for the  
6 public transportation provided by or subject to the  
7 jurisdiction of such Commuter Rail Board sufficient to  
8 allow the Commuter Rail Board to meet its required system  
9 generated revenue recovery ratio;

10 (iv) be based upon and employ assumptions and  
11 projections which the Board of the Authority finds to be  
12 reasonable and prudent;

13 (v) have been prepared in accordance with sound  
14 financial practices as determined by the Board of the  
15 Authority;

16 (vi) meet such other uniform financial, budgetary, or  
17 fiscal requirements that the Board of the Authority may by  
18 rule or regulation establish; and

19 (vii) be consistent with the goals and objectives  
20 adopted by the Regional Transportation Authority in the  
21 Strategic Plan of Section 2.01a of this Act.

22 (Source: P.A. 95-708, eff. 1-18-08.)

23 (70 ILCS 3615/4.01) (from Ch. 111 2/3, par. 704.01)

24 Sec. 4.01. Budget and Program.

25 (a) The Board shall control the finances of the Authority.

1 It shall by ordinance adopted by the affirmative vote of at  
2 least 12 of its then Directors (i) appropriate money to perform  
3 the Authority's purposes and provide for payment of debts and  
4 expenses of the Authority, (ii) take action with respect to the  
5 budget and two-year financial plan of each Service Board, as  
6 provided in Section 4.11, and (iii) adopt an Annual Budget and  
7 Two-Year Financial Plan for the Authority that includes the  
8 annual budget and two-year financial plan of each Service Board  
9 that has been approved by the Authority. The Annual Budget and  
10 Two-Year Financial Plan shall contain a statement of the funds  
11 estimated to be on hand for the Authority and each Service  
12 Board at the beginning of the fiscal year, the funds estimated  
13 to be received from all sources for such year, the estimated  
14 expenses and obligations of the Authority and each Service  
15 Board for all purposes, including expenses for contributions to  
16 be made with respect to pension and other employee benefits,  
17 and the funds estimated to be on hand at the end of such year.  
18 The fiscal year of the Authority and each Service Board shall  
19 begin on January 1st and end on the succeeding December 31st.  
20 By July 1st of each year the Director of the Illinois  
21 Governor's Office of Management and Budget (formerly Bureau of  
22 the Budget) shall submit to the Authority an estimate of  
23 revenues for the next fiscal year of the Authority to be  
24 collected from the taxes imposed by the Authority and the  
25 amounts to be available in the Public Transportation Fund and  
26 the Regional Transportation Authority Occupation and Use Tax

1 Replacement Fund and the amounts otherwise to be appropriated  
2 by the State to the Authority for its purposes. The Authority  
3 shall file a copy of its Annual Budget and Two-Year Financial  
4 Plan with the General Assembly and the Governor after its  
5 adoption. Before the proposed Annual Budget and Two-Year  
6 Financial Plan is adopted, the Authority shall hold at least  
7 one public hearing thereon in the metropolitan region, and  
8 shall meet with the county board or its designee of each of the  
9 several counties in the metropolitan region. After conducting  
10 such hearings and holding such meetings and after making such  
11 changes in the proposed Annual Budget and Two-Year Financial  
12 Plan as the Board deems appropriate, the Board shall adopt its  
13 annual appropriation and Annual Budget and Two-Year Financial  
14 Plan ordinance. The ordinance may be adopted only upon the  
15 affirmative votes of 12 of its then Directors. The ordinance  
16 shall appropriate such sums of money as are deemed necessary to  
17 defray all necessary expenses and obligations of the Authority,  
18 specifying purposes and the objects or programs for which  
19 appropriations are made and the amount appropriated for each  
20 object or program. Additional appropriations, transfers  
21 between items and other changes in such ordinance may be made  
22 from time to time by the Board upon the affirmative votes of 12  
23 of its then Directors.

24 (b) The Annual Budget and Two-Year Financial Plan shall  
25 show a balance between anticipated revenues from all sources  
26 and anticipated expenses including funding of operating

1 deficits or the discharge of encumbrances incurred in prior  
2 periods and payment of principal and interest when due, and  
3 shall show cash balances sufficient to pay with reasonable  
4 promptness all obligations and expenses as incurred.

5 The Annual Budget and Two-Year Financial Plan must show:

6 (i) that the level of fares and charges for mass  
7 transportation provided by, or under grant or purchase of  
8 service contracts of, the Service Boards is sufficient to  
9 cause the aggregate of all projected fare revenues from  
10 such fares and charges received in each fiscal year to  
11 equal at least 50% of the aggregate costs of providing such  
12 public transportation in such fiscal year. "Fare revenues"  
13 include the proceeds of all fares and charges for services  
14 provided, contributions received in connection with public  
15 transportation from units of local government other than  
16 the Authority, except for contributions received by the  
17 Chicago Transit Authority from a real estate transfer tax  
18 imposed under subsection (i) of Section 8-3-19 of the  
19 Illinois Municipal Code, and from the State pursuant to  
20 subsection (i) of Section 2705-305 of the Department of  
21 Transportation Law (20 ILCS 2705/2705-305), and all other  
22 operating revenues properly included consistent with  
23 generally accepted accounting principles but do not  
24 include: the proceeds of any borrowings, and, beginning  
25 with the 2007 fiscal year, all revenues and receipts,  
26 including but not limited to fares and grants received from

1 the federal, State or any unit of local government or other  
2 entity, derived from providing ADA paratransit service  
3 pursuant to Section 2.30 of the Regional Transportation  
4 Authority Act. "Costs" include all items properly included  
5 as operating costs consistent with generally accepted  
6 accounting principles, including administrative costs, but  
7 do not include: depreciation; payment of principal and  
8 interest on bonds, notes or other evidences of obligation  
9 for borrowed money issued by the Authority; payments with  
10 respect to public transportation facilities made pursuant  
11 to subsection (b) of Section 2.20 of this Act; any payments  
12 with respect to rate protection contracts, credit  
13 enhancements or liquidity agreements made under Section  
14 4.14; any other cost to which it is reasonably expected  
15 that a cash expenditure will not be made; costs for  
16 passenger security including grants, contracts, personnel,  
17 equipment and administrative expenses, except in the case  
18 of the Chicago Transit Authority, in which case the term  
19 does not include costs spent annually by that entity for  
20 protection against crime as required by Section 27a of the  
21 Metropolitan Transit Authority Act; the payment by the  
22 Chicago Transit Authority of Debt Service, as defined in  
23 Section 12c of the Metropolitan Transit Authority Act, on  
24 bonds or notes issued pursuant to that Section; the payment  
25 by the Commuter Rail Division of debt service on bonds  
26 issued pursuant to Section 3B.09; expenses incurred by the

1 Suburban Bus Division for the cost of new public  
2 transportation services funded from grants pursuant to  
3 Section 2.01e of this amendatory Act of the 95th General  
4 Assembly for a period of 2 years from the date of  
5 initiation of each such service; costs as exempted by the  
6 Board for projects pursuant to Section 2.09 of this Act;  
7 or, beginning with the 2007 fiscal year, expenses related  
8 to providing ADA paratransit service pursuant to Section  
9 2.30 of the Regional Transportation Authority Act; and in  
10 fiscal years 2008 through 2012 inclusive, costs in the  
11 amount of \$200,000,000 in fiscal year 2008, reducing by  
12 \$40,000,000 in each fiscal year thereafter until this  
13 exemption is eliminated; and

14 (ii) that the level of fares charged for ADA  
15 paratransit services is sufficient to cause the aggregate  
16 of all projected revenues from such fares charged and  
17 received in each fiscal year to equal at least 10% of the  
18 aggregate costs of providing such ADA paratransit  
19 services. For purposes of this Act, the percentages in this  
20 subsection (b)(ii) shall be referred to as the "system  
21 generated ADA paratransit services revenue recovery  
22 ratio". For purposes of the system generated ADA  
23 paratransit services revenue recovery ratio, "costs" shall  
24 include all items properly included as operating costs  
25 consistent with generally accepted accounting principles.  
26 However, the Board may exclude from costs an amount that

1 does not exceed the allowable "capital costs of  
2 contracting" for ADA paratransit services pursuant to the  
3 Federal Transit Administration guidelines for the  
4 Urbanized Area Formula Program.

5 (c) The actual administrative expenses of the Authority for  
6 the fiscal year commencing January 1, 1985 may not exceed  
7 \$5,000,000. The actual administrative expenses of the  
8 Authority for the fiscal year commencing January 1, 1986, and  
9 for each fiscal year thereafter shall not exceed the maximum  
10 administrative expenses for the previous fiscal year plus 5%.  
11 "Administrative expenses" are defined for purposes of this  
12 Section as all expenses except: (1) capital expenses and  
13 purchases of the Authority on behalf of the Service Boards; (2)  
14 payments to Service Boards; and (3) payment of principal and  
15 interest on bonds, notes or other evidence of obligation for  
16 borrowed money issued by the Authority; (4) costs for passenger  
17 security including grants, contracts, personnel, equipment and  
18 administrative expenses; (5) payments with respect to public  
19 transportation facilities made pursuant to subsection (b) of  
20 Section 2.20 of this Act; and (6) any payments with respect to  
21 rate protection contracts, credit enhancements or liquidity  
22 agreements made pursuant to Section 4.14.

23 (d) This subsection applies only until the Department  
24 begins administering and enforcing an increased tax under  
25 Section 4.03(m) as authorized by this amendatory Act of the  
26 95th General Assembly. After withholding 15% of the proceeds of

1 any tax imposed by the Authority and 15% of money received by  
2 the Authority from the Regional Transportation Authority  
3 Occupation and Use Tax Replacement Fund, the Board shall  
4 allocate the proceeds and money remaining to the Service Boards  
5 as follows: (1) an amount equal to 85% of the proceeds of those  
6 taxes collected within the City of Chicago and 85% of the money  
7 received by the Authority on account of transfers to the  
8 Regional Transportation Authority Occupation and Use Tax  
9 Replacement Fund from the County and Mass Transit District Fund  
10 attributable to retail sales within the City of Chicago shall  
11 be allocated to the Chicago Transit Authority; (2) an amount  
12 equal to 85% of the proceeds of those taxes collected within  
13 Cook County outside the City of Chicago and 85% of the money  
14 received by the Authority on account of transfers to the  
15 Regional Transportation Authority Occupation and Use Tax  
16 Replacement Fund from the County and Mass Transit District Fund  
17 attributable to retail sales within Cook County outside of the  
18 city of Chicago shall be allocated 30% to the Chicago Transit  
19 Authority, 55% to the Commuter Rail Board and 15% to the  
20 Suburban Bus Board; and (3) an amount equal to 85% of the  
21 proceeds of the taxes collected within the Counties of DuPage,  
22 Kane, Lake, McHenry and Will shall be allocated 70% to the  
23 Commuter Rail Board and 30% to the Suburban Bus Board.

24 (e) This subsection applies only until the Department  
25 begins administering and enforcing an increased tax under  
26 Section 4.03(m) as authorized by this amendatory Act of the

1 95th General Assembly. Moneys received by the Authority on  
2 account of transfers to the Regional Transportation Authority  
3 Occupation and Use Tax Replacement Fund from the State and  
4 Local Sales Tax Reform Fund shall be allocated among the  
5 Authority and the Service Boards as follows: 15% of such moneys  
6 shall be retained by the Authority and the remaining 85% shall  
7 be transferred to the Service Boards as soon as may be  
8 practicable after the Authority receives payment. Moneys which  
9 are distributable to the Service Boards pursuant to the  
10 preceding sentence shall be allocated among the Service Boards  
11 on the basis of each Service Board's distribution ratio. The  
12 term "distribution ratio" means, for purposes of this  
13 subsection (e) of this Section 4.01, the ratio of the total  
14 amount distributed to a Service Board pursuant to subsection  
15 (d) of Section 4.01 for the immediately preceding calendar year  
16 to the total amount distributed to all of the Service Boards  
17 pursuant to subsection (d) of Section 4.01 for the immediately  
18 preceding calendar year.

19 (f) To carry out its duties and responsibilities under this  
20 Act, the Board shall employ staff which shall: (1) propose for  
21 adoption by the Board of the Authority rules for the Service  
22 Boards that establish (i) forms and schedules to be used and  
23 information required to be provided with respect to a five-year  
24 capital program, annual budgets, and two-year financial plans  
25 and regular reporting of actual results against adopted budgets  
26 and financial plans, (ii) financial practices to be followed in

1 the budgeting and expenditure of public funds, (iii)  
2 assumptions and projections that must be followed in preparing  
3 and submitting its annual budget and two-year financial plan or  
4 a five-year capital program; (2) evaluate for the Board public  
5 transportation programs operated or proposed by the Service  
6 Boards and transportation agencies in terms of the goals and  
7 objectives set out in the Strategic Plan; (3) keep the Board  
8 and the public informed of the extent to which the Service  
9 Boards and transportation agencies are meeting the goals and  
10 objectives adopted by the Authority in the Strategic Plan; and  
11 (4) assess the efficiency or adequacy of public transportation  
12 services provided by a Service Board and make recommendations  
13 for change in that service to the end that the moneys available  
14 to the Authority may be expended in the most economical manner  
15 possible with the least possible duplication.

16 (g) All Service Boards, transportation agencies,  
17 comprehensive planning agencies, including the Chicago  
18 Metropolitan Agency for Planning, or transportation planning  
19 agencies in the metropolitan region shall furnish to the  
20 Authority such information pertaining to public transportation  
21 or relevant for plans therefor as it may from time to time  
22 require. The Executive Director, or his or her designee, shall,  
23 for the purpose of securing any such information necessary or  
24 appropriate to carry out any of the powers and responsibilities  
25 of the Authority under this Act, have access to, and the right  
26 to examine, all books, documents, papers or records of a

1 Service Board or any transportation agency receiving funds from  
2 the Authority or Service Board, and such Service Board or  
3 transportation agency shall comply with any request by the  
4 Executive Director, or his or her designee, within 30 days or  
5 an extended time provided by the Executive Director.

6 (h) No Service Board shall undertake any capital  
7 improvement which is not identified in the Five-Year Capital  
8 Program or as otherwise prescribed in Section 2.01b of this  
9 Act.

10 (i) No later than January 1, 2013, the Service Boards shall  
11 implement software that allows the Authority to access and  
12 review all real-time information related to financial  
13 reporting.

14 (j) The Authority shall prepare and present reports to the  
15 Service Boards on a quarterly basis. These reports shall  
16 include the Authority's assessment of the overall financial  
17 issues of the Authority, as well as those unique to the Service  
18 Board. The reports shall also include the results of any  
19 audits, evaluations, reviews, or studies performed by the  
20 Authority for the Authority or another individual agency.

21 (k) Service Boards shall each provide to the Authority an  
22 annual budget at least 45 business days before the budget is  
23 presented to the Service Board for a vote of adoption. After  
24 reviewing a Service Board's proposed budget, the Authority  
25 shall present and make recommendations to the respective  
26 Service Board concerning the proposed budget no later than 15

1 days before that Service Board votes for budget adoption.

2 (Source: P.A. 94-370, eff. 7-29-05; 95-708, eff. 1-18-08;  
3 95-906, eff. 8-26-08.)

4 (70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

5 Sec. 4.11. Budget Review Powers.

6 (a) Based upon estimates which shall be given to the  
7 Authority by the Director of the Governor's Office of  
8 Management and Budget (formerly Bureau of the Budget) of the  
9 receipts to be received by the Authority from the taxes imposed  
10 by the Authority and the authorized estimates of amounts to be  
11 available from State and other sources to the Service Boards,  
12 and the times at which such receipts and amounts will be  
13 available, the Board shall, not later than the next preceding  
14 September 15th prior to the beginning of the Authority's next  
15 fiscal year, advise each Service Board of the amounts estimated  
16 by the Board to be available for such Service Board during such  
17 fiscal year and the two following fiscal years and the times at  
18 which such amounts will be available. The Board shall, at the  
19 same time, also advise each Service Board of its required  
20 system generated revenues recovery ratio for the next fiscal  
21 year which shall be the percentage of the aggregate costs of  
22 providing public transportation by or under jurisdiction of  
23 that Service Board which must be recovered from system  
24 generated revenues. The Board shall, at the same time, consider  
25 the written determination of the Executive Director, made

1 pursuant to Section 2.01d, of the costs of ADA paratransit  
2 services that are required to be provided under the federal  
3 Americans with Disabilities Act of 1990 and its implementing  
4 regulations, and shall amend the current year budgets of the  
5 Authority and the Service Boards to provide for additional  
6 funding for the provision of ADA paratransit services, if  
7 needed. The Board shall, at the same time, beginning with the  
8 2007 fiscal year, also advise each Service Board that provides  
9 ADA paratransit services of its required system generated ADA  
10 paratransit services revenue recovery ratio for the next fiscal  
11 year which shall be the percentage of the aggregate costs of  
12 providing ADA paratransit services by or under jurisdiction of  
13 that Service Board which must be recovered from fares charged  
14 for such services, except that such required system generated  
15 ADA paratransit services revenue recovery ratio shall not  
16 exceed the minimum percentage established pursuant to Section  
17 4.01(b)(ii) of this Act. In determining a Service Board's  
18 system generated revenue recovery ratio, the Board shall  
19 consider the historical system generated revenues recovery  
20 ratio for the services subject to the jurisdiction of that  
21 Service Board. The Board shall not increase a Service Board's  
22 system generated revenues recovery ratio for the next fiscal  
23 year over such ratio for the current fiscal year  
24 disproportionately or prejudicially to increases in such  
25 ratios for other Service Boards. The Board may, by ordinance,  
26 provide that (i) the cost of research and development projects

1 in the fiscal year beginning January 1, 1986 and ending  
2 December 31, 1986 conducted pursuant to Section 2.09 of this  
3 Act, (ii) the costs for passenger security, and (iii)  
4 expenditures of amounts granted to a Service Board from the  
5 Innovation, Coordination, and Enhancement Fund for operating  
6 purposes may be exempted from the farebox recovery ratio or the  
7 system generated revenues recovery ratio of the Chicago Transit  
8 Authority, the Suburban Bus Board, and the Commuter Rail Board,  
9 or any of them. During fiscal years 2008 through 2012, the  
10 Board may also allocate the exemption of \$200,000,000 and the  
11 reducing amounts of costs provided by this amendatory Act of  
12 the 95th General Assembly from the farebox recovery ratio or  
13 system generated revenues recovery ratio of each Service Board.

14 (b) (1) Not later than the next preceding November 15 prior  
15 to the commencement of such fiscal year, each Service Board  
16 shall submit to the Authority its proposed budget for such  
17 fiscal year and its proposed financial plan for the two  
18 following fiscal years. Such budget and financial plan shall  
19 (i) be prepared in the format, follow the financial and  
20 budgetary practices, and be based on any assumptions and  
21 projections required by the Authority and (ii) not project or  
22 assume a receipt of revenues from the Authority in amounts  
23 greater than those set forth in the estimates provided by the  
24 Authority pursuant to subsection (a) of this Section.

25 (2) The Board shall review the proposed budget and two-year  
26 financial plan submitted by each Service Board. The Board shall

1 approve the budget and two-year financial plan of a Service  
2 Board if:

3 (i) such budget and plan show a balance between (A)  
4 anticipated revenues from all sources including operating  
5 subsidies and (B) the costs of providing the services  
6 specified and of funding any operating deficits or  
7 encumbrances incurred in prior periods, including  
8 provision for payment when due of principal and interest on  
9 outstanding indebtedness;

10 (ii) such budget and plan show cash balances including  
11 the proceeds of any anticipated cash flow borrowing  
12 sufficient to pay with reasonable promptness all costs and  
13 expenses as incurred;

14 (iii) such budget and plan provide for a level of fares  
15 or charges and operating or administrative costs for the  
16 public transportation provided by or subject to the  
17 jurisdiction of such Service Board sufficient to allow the  
18 Service Board to meet its required system generated revenue  
19 recovery ratio and, beginning with the 2007 fiscal year,  
20 system generated ADA paratransit services revenue recovery  
21 ratio;

22 (iv) such budget and plan are based upon and employ  
23 assumptions and projections which are reasonable and  
24 prudent;

25 (v) such budget and plan have been prepared in  
26 accordance with sound financial practices as determined by

1 the Board;

2 (vi) such budget and plan meet such other financial,  
3 budgetary, or fiscal requirements that the Board may by  
4 rule or regulation establish; and

5 (vii) such budget and plan are consistent with the  
6 goals and objectives adopted by the Authority in the  
7 Strategic Plan.

8 (3) (Blank).

9 (4) Unless the Board by an affirmative vote of 12 of the  
10 then Directors determines that the budget and financial plan of  
11 a Service Board meets the criteria specified in clauses (i)  
12 through (vii) of subparagraph (2) of this paragraph (b), the  
13 Board shall withhold from that Service Board 25% of the cash  
14 proceeds of taxes imposed by the Authority under Section 4.03  
15 and Section 4.03.1 and received after February 1 and 25% of the  
16 amounts transferred to the Authority from the Public  
17 Transportation Fund under Section 4.09(a) (but not including  
18 Section 4.09(a)(3)(iv)) after February 1 that the Board has  
19 estimated to be available to that Service Board under Section  
20 4.11(a). Such funding shall be released to the Service Board  
21 only upon approval of a budget and financial plan under this  
22 Section or adoption of a budget and financial plan on behalf of  
23 the Service Board by the Authority.

24 (5) If the Board has not found that the budget and  
25 financial plan of a Service Board meets the criteria specified  
26 in clauses (i) through (vii) of subparagraph (2) of this

1 paragraph (b), the Board, by the affirmative vote of at least  
2 12 of its then Directors, shall adopt a budget and financial  
3 plan meeting such criteria for that Service Board.

4 (c) (1) If the Board shall at any time have received a  
5 revised estimate, or revises any estimate the Board has made,  
6 pursuant to this Section of the receipts to be collected by the  
7 Authority which, in the judgment of the Board, requires a  
8 change in the estimates on which the budget of any Service  
9 Board is based, the Board shall advise the affected Service  
10 Board of such revised estimates, and such Service Board shall  
11 within 30 days after receipt of such advice submit a revised  
12 budget incorporating such revised estimates. If the revised  
13 estimates require, in the judgment of the Board, that the  
14 system generated revenues recovery ratio of one or more Service  
15 Boards be revised in order to allow the Authority to meet its  
16 required ratio, the Board shall advise any such Service Board  
17 of its revised ratio and such Service Board shall within 30  
18 days after receipt of such advice submit a revised budget  
19 incorporating such revised estimates or ratio.

20 (2) Each Service Board shall, within such period after the  
21 end of each fiscal quarter as shall be specified by the Board,  
22 report to the Authority its financial condition and results of  
23 operations and the financial condition and results of  
24 operations of the public transportation services subject to its  
25 jurisdiction, as at the end of and for such quarter. If in the  
26 judgment of the Board such condition and results are not

1 substantially in accordance with such Service Board's budget  
2 for such period, the Board shall so advise such Service Board  
3 and such Service Board shall within the period specified by the  
4 Board submit a revised budget incorporating such results.

5 (3) If the Board shall determine that a revised budget  
6 submitted by a Service Board pursuant to subparagraph (1) or  
7 (2) of this paragraph (c) does not meet the criteria specified  
8 in clauses (i) through (vii) of subparagraph (2) of paragraph  
9 (b) of this Section, the Board shall withhold from that Service  
10 Board 25% of the cash proceeds of taxes imposed by the  
11 Authority under Section 4.03 or 4.03.1 and received by the  
12 Authority after February 1 and 25% of the amounts transferred  
13 to the Authority from the Public Transportation Fund under  
14 Section 4.09(a) (but not including Section 4.09(a)(3)(iv))  
15 after February 1 that the Board has estimated to be available  
16 to that Service Board under Section 4.11(a). If the Service  
17 Board submits a revised financial plan and budget which plan  
18 and budget shows that the criteria will be met within a four  
19 quarter period, the Board shall release any such withheld funds  
20 to the Service Board. The Board by the affirmative vote of at  
21 least 12 of its then Directors may require a Service Board to  
22 submit a revised financial plan and budget which shows that the  
23 criteria will be met in a time period less than four quarters.

24 (d) All budgets and financial plans, financial statements,  
25 audits and other information presented to the Authority  
26 pursuant to this Section or which may be required by the Board

1 to permit it to monitor compliance with the provisions of this  
2 Section shall be prepared and presented in such manner and  
3 frequency and in such detail as shall have been prescribed by  
4 the Board, shall be prepared on both an accrual and cash flow  
5 basis as specified by the Board, shall present such information  
6 as the Authority shall prescribe that fairly presents the  
7 condition of any pension plan or trust for health care benefits  
8 with respect to retirees established by the Service Board and  
9 describes the plans of the Service Board to meet the  
10 requirements of Sections 4.02a and 4.02b, and shall identify  
11 and describe the assumptions and projections employed in the  
12 preparation thereof to the extent required by the Board. If the  
13 Executive Director certifies that a Service Board has not  
14 presented its budget and two-year financial plan in conformity  
15 with the rules adopted by the Authority under the provisions of  
16 Section 4.01(f) and this subsection (d), and such certification  
17 is accepted by the affirmative vote of at least 12 of the then  
18 Directors of the Authority, the Authority shall not distribute  
19 to that Service Board any funds for operating purposes in  
20 excess of the amounts distributed for such purposes to the  
21 Service Board in the previous fiscal year. Except when the  
22 Board adopts a budget and a financial plan for a Service Board  
23 under paragraph (b) (5), a Service Board shall provide for such  
24 levels of transportation services and fares or charges therefor  
25 as it deems appropriate and necessary in the preparation of a  
26 budget and financial plan meeting the criteria set forth in

1 clauses (i) through (vii) of subparagraph (2) of paragraph (b)  
2 of this Section. The Authority shall have access to and the  
3 right to examine and copy all books, documents, papers,  
4 records, or other source data of a Service Board relevant to  
5 any information submitted pursuant to this Section.

6 (e) Whenever this Section requires the Board to make  
7 determinations with respect to estimates, budgets or financial  
8 plans, or rules or regulations with respect thereto such  
9 determinations shall be made upon the affirmative vote of at  
10 least 12 of the then Directors and shall be incorporated in a  
11 written report of the Board and such report shall be submitted  
12 within 10 days after such determinations are made to the  
13 Governor, the Mayor of Chicago (if such determinations relate  
14 to the Chicago Transit Authority), and the Auditor General of  
15 Illinois.

16 (f) If the Authority discovers a violation of items (1) and  
17 (2) in Section 2.01b of this Act, then the Board shall withhold  
18 from that Service Board 25% of the cash proceeds of taxes  
19 imposed by the Authority under Sections 4.03 or 4.03.1 and  
20 received by the Authority and 25% of the amounts transferred to  
21 the Authority from the Public Transportation Fund under  
22 subsection (a) of Section 4.09, but not including the amounts  
23 described in paragraph (iv) of item (3) of subsection (a) of  
24 Section 4.09, that the Board has estimated to be available to  
25 that Service Board under subsection (a) of Section 4.11. To  
26 resume this funding, at least 3 current members of the

1 violating Service Board shall testify in front of the  
2 Authority's finance committee or successor thereof. This  
3 hearing shall be held no later than 10 days after the claim of  
4 the offense. The hearing shall allow the Service Board a chance  
5 to discuss the violation. No more than 10 business days after  
6 the hearing, the Authority's finance committee or successor  
7 thereof shall take this matter before the Board to determine  
8 whether to continue sanctioning the Service Board as outlined  
9 in this subsection.

10 (Source: P.A. 97-399, eff. 8-16-11.)

1 INDEX

2 Statutes amended in order of appearance

3 70 ILCS 3605/34 from Ch. 111 2/3, par. 334

4 70 ILCS 3615/2.01a

5 70 ILCS 3615/2.01b

6 70 ILCS 3615/3A.10 from Ch. 111 2/3, par. 703A.10

7 70 ILCS 3615/3B.10 from Ch. 111 2/3, par. 703B.10

8 70 ILCS 3615/4.01 from Ch. 111 2/3, par. 704.01

9 70 ILCS 3615/4.11 from Ch. 111 2/3, par. 704.11